

FBI**DAILY REPORT
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ECLA ISSUES REPORT ON 'ECONOMIC CRISIS'

PA231729 Mexico City UNOMASUNO in Spanish 17 Apr 86 p 13

[Excerpts] Amid the deepest and longest-lasting economic crisis Latin America has experienced this century -- characterized by severe deterioration in the standards of living, constrained investment and capital formation, high interest rates, and a strong drain of funds from the country -- the per capita income in Mexico has fallen almost 5 percent, and the value of salaries has decreased approximately 30 percent over the past 4 years.

ECLA reported this in a document released before the opening of that organization's 21st period of sessions, which will begin today. It adds that the Mexican economy grew only 2.5 percent in 1985 and that urban unemployment was 5 percent, much higher than that observed in 1980. The report indicates that Mexico is the Latin American country with most deposits abroad; in September 1985 these totalled \$21.537 billion, almost one-third of the Mexican public debt.

ECLA reports that the national per capita income is the best indicator of current living standards. Mexico's fell 14 percent over the past 5 years as a result of the constant deterioration of the terms of exchange and the substantial increase in the net payment of interest and capital abroad, which totalled \$100 billion over the past 4 years.

The reduction in Latin America's economic activities has particularly affected the formation of capital, to the extent that the crisis, in addition to damaging current living standards, also jeopardizes the possibilities of seeing a speedy recovery. It indicates that the investment rate has fallen to its lowest level of the past 40 years.

ECLA explained that from the point of view of equity and the satisfaction of basic needs, the economic crisis and the stabilization and adjustment programs implemented over the past several years have made an already worrisome situation worse. In this context, the report says that over the past 5 years unemployment rose moderately in Costa Rica and Mexico and significantly in Argentina, Bolivia, Colombia, Chile, Honduras, Uruguay, and Venezuela.

In its study, the UN financial organization examined the impact that the sharp fall of capital income since 1982 and the simultaneous increase of the transfers have made on payments of services and interest abroad. This caused more than one-half of the negative balance in the current accounts of various countries to be financed through a reduction of international reserves. In addition to this, the differences between the income and expenses for payments on interest and profit is approximately 25 percent of the exports of goods and services.

In its report ECLA warns that at least until the end of this decade the economic growth of many of the area's countries will be constrained by the high level of indebtedness and the reticence that private commercial banks have been showing regarding increasing the flow of fresh financing. This will continue to affect the import capacity and further constrain the formation of fixed capital.

It is evident, then, according to the report, that the way in which the adjustment had been made is anachronistic and that from now on it will be necessary to implement policies that will allow coordination between the attainment of an external balance with economic reactivation.

The backbone of the adjustment will no longer be the indiscriminate reduction of domestic spending, but "the rapid expansion of export activities and import substitution." The need to reduce transfers of funds abroad is also set forth. Over the past 4 years interest rate payments have absorbed approximately 36 percent of the area's total exports, doubling the proportion paid before the crisis. It will also be imperative to have more foreign financing to resume sustained growth within the shortest possible time.

Meeting Opens in Mexico City

FL240142 Mexico City NOTIMEX in Spanish 2300 GMT 23 Apr 86

[Text] Mexico City, 23 Apr (NOTIMEX) -- Mexican President Miguel de la Madrid made an urgent call today on the international community to restructure world economic relations and abandon theoretical (aprioristic) formulas and rigid guidelines. Opening ECLA's 21st period of sessions, the Mexican leader stressed the need to adjust the foreign debt in accordance with debtor countries' abilities to pay.

Stating that Latin American countries are aware that the solution to their problems is their own responsibility, de la Madrid said that it is unrealistic to pretend that only domestic efforts and sacrifice, which imply decreased development and lower standards of living, will control the crisis. President De la Madrid said that world economic relations need to be restructured so that they simultaneously address the problems of the debt, financing and currency, trade fluctuations, exchange terms, technological support, and international cooperation in a responsible manner by the parties involved.

He also warned that the next few years will be critical for the region, so focus should be placed on debt servicing based on debtor countries' ability to pay, financial mechanisms, and cost reduction. The Mexican president added that debt considerations should also focus on openings in the market that would allow increased export capacity and strengthen growth, payments, and an international environment that would allow for operational and expeditious solutions for cooperation in various areas of the world economy.

De la Madrid proposed that ECLA analyze the scheme of economic stabilization which has been studied by various international organizations, to evaluate the efficiency of anti-inflationary policies and the time required for structural changes to contribute to economic stability. In the analysis, the president said, ECLA should stress a global solution to the Latin American debt problem and the creation of a new international financial system and share in promoting structural changes presented by several regional countries.

The Mexican president rejected a universal model that would solve the difficulties each nation confronts. We are confronting difficult times, he added, but we also are experiencing new opportunities to strengthen the rhythm of development. De la Madrid stressed that the peoples of Latin America reject foreign intervention that tries to mold their development. The Mexican president called for creditor countries to increase their responsibilities and sacrifices created by the foreign debt and said that this meeting supports important contributions to that effort.

NEW SUPREME COURT JUSTICE WOUNDED IN ATTACK

PY231836 La Paz Radio Illimani Network in Spanish 1700 GMT 23 Apr 86

[Excerpts] Edgar Rosales Ligeron, the new Supreme Court justice who was shot at four times early this morning in Santa Cruz, has undergone a 5-hour operation. Our correspondent Fortunato Esquivel in Santa Cruz has the following report for us:

[Begin relay] At approximately 0100 today, Lawyer Edgar Rosales Ligeron, recently appointed Supreme Court justice, was attacked while returning home from a dinner hosted by his colleagues to celebrate his appointment.

Rosales Ligeron was shot at four times. One of the bullets hit his arm and another the right side of his chest. He was taken almost immediately to the Lourdes Clinic in Santa Cruz, where he underwent a 5-hour operation. Dr Rosales was supposed to be sworn in as Supreme Court justice tomorrow, 24 April. Santa Cruz Department Prefect Julio Prado Salmon, who returned to Santa Cruz last night, received the report this morning and ordered an in-depth investigation of the crime to determine the perpetrators. Prado Salmon stated that he has instructed the local police chief, Colonel Camacho, to conduct a thorough investigation. He added that there are some clues that could lead to the perpetrators. [end relay]

Meanwhile, the Supreme Court will ask the Interior Ministry to provide the broadest possible guarantees and protection for the justices, according to Supreme Court President Guillermo Caballero Saucedo, after learning of the attack on Rosales Ligeron. During a telephone conversation with this radio station from Sucre, Dr Caballero said that he was outraged by this attack and added that this was another example of the harassment to which the Supreme Court is being subjected, others being the groundless challenging of justices in the malfeasance trial of former Bolivian President Luis Garcia Meza.

GOVERNMENT ISSUES COMMUNIQUE ON LIBYA RAID

PY231609 La Paz PRESENCIA in Spanish 16 Apr 86 p 1

[Text] The Foreign Ministry last night issued a communique by which the Bolivian Government "condemns all types of terrorism and any irrational behavior that causes death and injury of innocent people." The official statement was released in response to the attack Libya suffered at the hands of the United States "in retaliation for terrorist acts" attributed to the Libyans.

The communique states: "Faithful to the unvarying principles traditionally mentioned in international meetings and forums, the Bolivian Government condemns all types of terrorism and irrational behavior that causes the death or injury of innocent and defenseless people. It also deplores the implementation of unilateral punishment actions, which endanger world peace. The Bolivian Government also maintained a peaceful policy, considering that disagreements between nations must be solved through constructive dialogue, which enhances the possibility of creating a better, more just, and more balanced world, with no dependency or humiliation. Within the framework of the Nonaligned Movement, Bolivia firmly ratifies its adherence to the antiterrorism principles of nonaggression and nonintervention in the sovereignty, political independence, territorial integrity, and self-determination.

"It adds that any armed aggression without a 'casus belli' aggravates the world situation and dangerously broadens the conflicts. In the International Year of Peace, Bolivia makes a fervent call to the parties involved in this painful problem to put aside all acts of violence, which can only generate more tension and create situations of unpredictable consequences for mankind."

DEFENSE MINISTER ON THREATS TO U.S. FACILITIES

PY232128 La Paz Radio Illimani Network in Spanish 1700 GMT 23 Apr 86

[Text] According to the defense and acting interior minister, the Bolivian Government will guarantee the security of all duly accredited diplomatic missions as provided for by the present Constitution. Valle made this statement today in response to questions dealing with alleged threats against diplomatic missions in La Paz. Minister Luis Fernando Valle discussed alleged threats received by U.S. and British Embassies following the U.S. Air Force raid against Libya's two largest cities.

[Begin recording] We were notified that both the United States and Great Britain received threats. It seems that certain sectors have publicly voiced their intention to take retaliatory action, in view of the U.S. raid on Libya. We believe that common sense will prevail, because the government knows that the Bolivian people have their own methods of struggle, and terrorism is not one of them. In our opinion, it is merely the way in which certain sectors verbally express their repudiation of the U.S. attack against Libya. [end recording]

The minister went on to say that, within the democratic framework in Bolivia, all duly accredited diplomatic missions have the right to state protection.

[Begin recording] I can tell you that we have, in conjunction with the intelligence community, the intelligence services of the police and the Armed Forces, implemented several security measures. We will supply protection when requested, but so far nobody has requested it. If any foreign diplomatic mission, or any Bolivian or foreign citizen feels threatened to any extent and asks the police authorities for protection, the Bolivian Police, in keeping with its constitutional duties, will supply the requested protection. [end recording]

ARMED FORCES COMMANDER ON MANEUVERS WITH U.S.

PY231540 La Paz EL DIARIO in Spanish 15 Apr 86 p 4

[Text] Armed Forces Commander Raul Lopez Leyton yesterday said that "no person or group will oppose the 'Joint Forces-86' U.S.-Bolivian maneuvers because they have been approved by the honorable Congress." Several groups, particularly leftist groups, question the holding of joint military maneuvers in the Chapare and Valle Alto areas in Cochabamba. They are scheduled to take place from 26 April to 6 May, and 263 U.S. Marines and 1,000 men from the Bolivian Armed Forces will participate.

General Lopez Leyton's statement was in response to threats of terrorist acts by some sectors to protest the presence of U.S. troops. Lopez Leyton said: "Congress, which represents the will of the people, has granted proper authorization for the entry and transit of the troops who will arrive in Bolivia to participate in these maneuvers." The military chief said that the threats and warnings that have been issued by some sectors to impede the holding of these maneuvers are completely groundless.

It has been learned that the maneuvers will not cost the Bolivian military anything because they will be paid for by the Marines of the U.S. Southern Command in Panama.

Paratroopers from the Special Forces Training Center (CITE) in Cochabamba, troops from the Condores school in Sanadita, planes from the Bolivian Air Force (FAB), and members of the Bolivian Navy will take part in the maneuvers.

The U.S. Marines, a high percentage of whom will be doctors, instructors, mechanics, and engineers, and a small group of soldiers will arrive aboard a giant Galaxy transport plane, which will land at the Viru Viru International Airport in Santa Cruz.

The Galaxy will also transport three helicopters, which will be assembled in Santa Cruz. Later these helicopters will be taken to Cochabamba, site of the "Joint Forces" maneuvers, which will start 26 April and end 6 May.

INTEGRATION MINISTER ON ANDEAN PACT MEETING

PY232333 La Paz La Red Panamericana in Spanish 1700 GMT 23 Apr 86

[Excerpts] Upon his return to Bolivia a couple of hours ago, Integration Minister Fernando Caceres expressed his disappointment with the results of the Andean Pact meeting held in Panama last week.

This morning the integration minister held a meeting with the president to inform him about his trip. Afterward, he told journalists accredited to the government that the most important member-countries of the Andean Pact attended the Panama meeting, however the Bolivian proposals were not considered.

[Begin recording] I am frustrated by the results of this meeting which was attended by members and observers. Some progress was made at the meeting regarding the study of alternative plans for resolving trade problems within the Andean Pact, and there is a proposal to hold a meeting of alternate members of the Commission in Lima, Peru, in May [words indistinct] Cartagena Agreement Board. I have announced that Bolivia will not attend this meeting until those countries that are confronting bilateral problems resolve their problems. We are not willing to attend these meetings just to observe what is happening among the other countries, while the commission and its ministers do nothing about the problems affecting Bolivia. [end recording]

The integration minister also said that in view of the regrettable results of the Panama meeting, Bolivia has decided to suspend the foreign ministers meeting which was to take place within a few hours in Santa Cruz.

[Begin recording] In view of all this, I have suspended the Santa Cruz meeting which was to have studied in detail amendments to the protocol agreement. Consequently the Galapagos meeting at the foreign ministers and integration ministers level has been postponed indefinitely.

I want to reassert Bolivia's position. Until the bilateral trade problems, which are affecting some Andean Pact countries are resolved, there is no reason for us to attend these meetings as observers. Therefore, I reassert, and I believe that this is the first time I have used such a harsh tone, that I am not too happy about the results of the Panama meeting. [end recording]

The integration minister noted that no country benefitted from this meeting, and therefore he suggests that this pattern be changed to benefit all Andean countries.

BLACKOUT OCCURS DURING STUDENT DEMONSTRATIONS

Covers Santiago Area

PY232309 Paris AFP in Spanish 2252 GMT 23 Apr 86

[Text] Santiago, 23 Apr (AFP) -- A general blackout this afternoon affected the entire Santiago area, including Valparaiso and Vina del Mar, during student demonstrations against the Pinochet regime.

The blackout, which also affected La Moneda presidential palace and downtown Santiago, began at 1832 (2232 GMT), causing problems during the evening rush hour.

The blackout in Santiago lasted 4 minutes, affecting hospitals and the metropolitan train service.

Technical Failure Blamed

PY240229 Santiago Radio Chilena in Spanish 2300 GMT 23 Apr 86

[Text] We have more information on the blackout that occurred in Santiago tonight at 1830 [2230 GMT]. The following is a report by the National Electric Power, Inc [Endesa]:

The blackout, which started at 1830, affected areas from 2d to the 7th regions of the country -- from Taltal in the north to Parral in the south. Endesa denies any possibility that the blackout could have been caused by a terrorist attack and adds that it was due to a technical failure which still has not been isolated. Endesa provides energy to other distributing companies such as the Chilean Electric Company, in Santiago.

CIVIC ASSEMBLY TO LEAD ENTIRE OPPOSITION FRONT

PY210312 Madrid EFE in Spanish 0128 GMT 21 Apr 86

[By Juan Jorge Faundes]

[Excerpts] Santiago, 20 Apr (EFE) -- As of Saturday, 26 April, the Civic Assembly will be the organizational instrument for the social mobilization of all the Chilean opposition, excluding no one. What will its final objective be? Democracy. What will it exclude? Violence.

Interviewed today by EL MERCURIO, Christian Democrat Dr Juan Gonzalez, president of the Physicians' College, which is the promoter of the Civic Assembly, said that the point is to unite "all the country's active forces" for a peaceful social mobilization aiming at ending the military regime and restoring full democracy. He added: "Our intention is for the Civic Assembly to be a rallying organization for all the citizens of the country."

Through actions that it will program and execute, the Civic Assembly will convey a message to the government and the military to gain a "true vision of the national reality" and to realize that "the situation cannot continue as it is." Dr Gonzalez said that the Civic Assembly will present the "demand of Chile" to Pinochet summed up in a word: democracy.

Gonzalez clearly states in the interview that if the government does not listen, the Civic Assembly will launch a program of civil disobedience that will include "a range of actions from sit-ins to strikes and boycotts." Former physician to late President Eduardo Frei (1964-1970), Dr Gonzalez is the choice of the opposition forces to be the man of consensus to head the concerted, massive, and peaceful offensive against the regime of General Augusto Pinochet.

According to a communique released today, the main organizations that have already expressed the support for the Civic Assembly, in addition to the Professionals' Colleges Federation which is the promoter, are: National Workers Command, Workers' Democratic Center, Retail Commerce Confederation, Peasants' National Commission, and the Neighborhoods' Coordinating Board. According to Dr Gonzalez, this represents "from 2.5 to 3 million people out of a labor force of 3 million in the whole country."

TEMUCO BISHOP PROTESTS CATHEDRAL OCCUPATION

PY240114 Madrid EFE in Spanish 1441 GMT 23 Apr 86

[Text] Santiago, 23 Apr (EFE) -- Temuco bishop Msgr Sergio Contreras today protested against the occupation of the Temuco cathedral by "plainclothes agents of the Army and the CNI" (National Intelligence Center of political police).

In his statement, Msgr Contreras protested the "successive occupations" of the main Catholic Church in Temuco, a city located 700 km south of Santiago. The occupation occurred on Tuesday when Chilean head of state General Augusto Pinochet began his visit to Temuco.

The clashes between the forces of order and demonstrators opposing Pinochet's visit resulted in 15 injuries, 100 detainees, and substantial damage resulting from the destruction of streets, squares, and parks.

In his statement, Msgr Contreras added that the people finally left the church on the orders of the governor of Temuco.

Temuco's two universities were occupied by students opposing General Pinochet's visit and several dissident demonstrations were held throughout the city during the day.

Concerning the incidents, Government Under Secretary General Colonel Jose Carrera has denied that the city is "militarized," stating that the actions were prompted "by 20 or 30 youths."

PINOCHET REJECTS CHANGING 1980 CONSTITUTION

PY240305 Santiago Radio Chilena in Spanish 2300 GMT 23 Apr 86

[Relay by Eliana Henriquez from Temuco]

[Text] President Augusto Pinochet today discarded any possibility of changing the present Constitution. The president spoke during a meeting with leaders of Angol, which is 120 km north of Temuco, on the 2d day of his tour throughout the 9th Region.

Pinochet reiterated that the same groups that created the conditions for Chileans to live the Marxist-Leninist experience of 1970-1973 are now offering solutions that have already failed.

He added that those groups who are motivated by political interests and power do not recognize the Chilean Constitution approved by the sovereign will of the people, because the new Constitution does not serve their purposes and this is why they want to change it.

[Begin Pinochet recording] How could something that has not yet been fully applied be reviewed or changed? What is happening is something else. These politicians, and I do not want to use an ugly word like bad politicians, except for very few exceptions, serve only the system of the political parties of the past. Why? Because the parties that emerged in 1925 after the 1924 military intervention with the approval of the 1923 Constitution did not have any restraints or any responsibilities. This was proven when the parties had to sign the statute of guarantees in view of Allende's election. [end recording]

Pinochet added that with the pact between Marxism and the other forces, they paved the way for communism. Pinochet also indicated that before the 1980 Constitution no one knew the origin or destination of the money received by the political parties. He said that this should not happen again because it was a national shame. He also emphasized that the current Constitution defines a political party and that later a special law will establish which parties will be recognized. He added that the parties will have to act publicly and that they will not be allowed to receive money from abroad.

Also, Under Secretary of the Interior Alberto Cardemil said today that several people came especially from Santiago to Temuco to promote disorders during the president's visit there yesterday. Cardemil added that there are several people at the disposal of the courts for disturbing public order. He also said that five people were injured during the demonstrations, one of them seriously when hit by rubber bullets used by the police to control the situation.

In relation to the blackout that hit a large part of the country around 1830 today, it should be pointed out that President Pinochet and his delegation were returning from Angol to Temuco at that time, therefore he was not aware of that event.

PDC'S MARTINEZ DENIES PACT WITH COMMUNISTS

PY230339 Santiago Radio Chilena in Spanish 2300 GMT 22 Apr 86

[Text] Former communist deputy Luis Guastavino has stated in Lima that 11 days ago a pact was signed among all Chilean centrist and leftist organizations. He asserted that the main parties in the country are the Communist Party [PCCh] and the Christian Democratic Party [PDC] and that any democratic solution can be achieved only through accord between those two organizations.

In Chile, PDC vice chairman Gutemberg Martinez commented on Guastavino's statements on an alleged pact between the center and the left by saying:

[Begin recording] The PDC has said repeatedly that it makes political pacts only within the Democratic Alliance and that its fight for a steady democratic future is staged within the National Accord. There is no other political pact with any other political force unless it is participating in the Democratic Alliance and in the National Accord. [end recording]

Martinez also commented on Guastavino's statement that any democratic solution in the country can be achieved only through an accord between communists and democrats.

[Begin recording] We think it is important that all political forces truly advocating democracy against dictatorship, i.e. that choose to fight for democracy, participate in the future in a possible fight for a democratic solution. A choice for democracy means not only to wish for a democratic government for the country, but also to accept democratic rules. [end recording]

Martinez ended by adding that, based on these principles, all parties have the right and the duty to participate in the country's democratic life.

MDP, CHURCH LEADERS DISCUSS NATIONAL DIALOGUE

PY230400 Santiago Radio Chilena in Spanish 2300 GMT 22 Apr 86

[Text] At noon today the top leaders of the Popular Democratic Movement, MDP, met with Santiago Archbishop Msgr Juan Francisco Fresno, and in the afternoon with Msgr Bernardino Pineira and Sergio Contreras, chairman and secretary general of the Episcopate Council, respectively. We will now listen to a report by Alejandro Guille:

[Begin recording] During the last few years we have witnessed how certain people who have privileged access to public forums have been imposing on Chileans a way of behaving, thinking and even feeling. During the last few weeks they have become more overbearing and intent on establishing the legitimacy or illegitimacy of those with whom the church should or should not talk. Today, however two very special meetings took place: Santiago Archbishop Msgr Juan Francisco Fresno talked with MDP's highest-ranking leaders for 33 minutes. In the afternoon, the MDP leaders met with Msgr Bernardino Pineira, chairman of the Episcopal Conference. On both occasions, German Correa, Jose Sanfuentes, Rafael Maroto, and Reinaldo Saenz told the prelates that they would like to inform them, personally about what they think of Chile's present reality because they do not have access to means of communication, and sometimes their statements are distorted. They also showed interest in the visit of Pope John Paul II to Chile, and again promised to do their best to ensure that the Pope arrives in a free, democratic, and peaceful Chile. They also reaffirmed their support of the Episcopate's document entitled "Justice or Violence," in which the bishops asked for justice, revision of the 1980 Constitution, and an accord among all Chileans.

According to observers, words cannot express the importance of these meetings: first, because they made it clear that the church's call for dialogue is addressed to all Chileans without exception; and second, because Msgr Fresno asked the MDP leaders to responsibly help build a free, democratic Chile, able to live in an authentic peace. The archbishop made it clear that what matters is to lead constructive, not destructive actions.

In conclusion, the two meetings taught us two things: first, the church does not exclude anyone from the dialogue; second, many personalities urgently need to become more humble, because they are not the spokesmen for an institution such as the church which embodies almost 2,000 years of history. [end recording]

DEFENSE MINISTER REJECTS COUP POSSIBILITY

PA240433 Madrid EFE in Spanish 0354 GMT 24 Apr 86

[Text] Bogota, 23 Apr (EFE) -- Defense Minister General Miguel Vega Uribe today rejected the possibility of a coup d'etat in this country, which was predicted by the U.S. publication NEWSWEEK in its 14 April edition. "NEWSWEEK journalists are not correctly informed, or, better still, they are misinformed," said Vega Uribe to counter the publication's report, which asserted: "The military sector is already breathing heavily down the neck of President Belisario Betancur's civilian government."

Vega Uribe said during a news conference in Usaquen, a community near Bogota, that the weekly's "comments are an offense to the government and to President Betancur himself." According to NEWSWEEK, "there is a possibility of a coup" in Colombia, and, among other inaccuracies, it indicates that "the military sector has put tight restrictions on Betancur's maneuverability to explore the possibility of a peaceful arrangement with the guerrillas."

Vega Uribe stressed that he believes "in the peace pledges stated in the agreements with the FARC (Revolutionary Armed Forces of Colombia)," even though he believes that "his superiors must review its enforcement by the various fronts, because there are some deficiencies." Later he said: "The military sector in Colombia has never thought about a coup d'etat. Quite the contrary, we have been and will continue to be the guardians of its democracy, given our professionalism." He added: "We are in our places, all right."

PAREJO ON NEED TO AMEND EXTRADITION TREATY

PA240159 Bogota EL TIEMPO in Spanish 21 Apr 86 p 8

[Excerpts] Justice Minister Enrique Parejo Gonzalez has said that if the United States refuses to amend the extradition treaty, Colombia will denounce it before authorities in that country. He added that the struggle against drug trafficking is not completely successful due to the high level of corruption found in state security organizations. Parejo Gonzalez also said that he will not withdraw from the New Liberalism -- "which is the movement I support" -- and added that after 23 months of heading that ministry he has finally stopped receiving death threats from drug traffickers.

In statements to the Colombian Radio Group, Parejo Gonzalez announced the government's plan to denounce in the United States the treaty signed by the two countries if the Reagan administration insists on maintaining the agreement in its current form. The minister said: "We have participated in meetings with Washington on various occasions, and the last one is scheduled for this month or before the first part of May. I insist that this is the government's last opportunity to make the United States realize that the treaty needs changes." He added: "Should we fail in making them realize the need to introduce changes, we can still resort to international instruments, for example, to denounce the treaty."

However, he added that "that is a decision that must be made only by the president and the foreign minister at the appropriate moment. Should the treaty be denounced, the Montevideo Agreement, which was signed and ratified by Colombia and the United States, would be applicable to the extradition issue." He pointed out that the country cannot fight drug trafficking if it has to do without certain elements of the extradition treaty and reiterated the importance of trying crimes in the place they were committed.

PRESIDENT URGES 'MORALIZATION' OF ADMINISTRATION

PA231559 Quito Voz de los Andes in Spanish 1130 GMT 23 Apr 86

[Text] The people should respond with absolute freedom in the plebiscite of the first Sunday in June, President Leon Febres Cordero stated yesterday during speeches he delivered in Machala, Portobelo, and Zaruma, in El Oro Province. The president criticized those who take advantage of their military functions to upset the nation, warning that severe sanctions will be imposed on the slanderers. He urged those who have documents on irregularities to bring them forth to punish the guilty and thus lead to moralization of the administration.

He made these statements as he began a 2-day tour through El Oro Province to familiarize himself with the actions of the authorities of that border province. During the tour through the El Oro cantons the president turned over to local authorities several financial contributions for the execution of community projects, while he promised government support for more contributions.

In his speech in Pinas, the president said that to the government's material efforts one must add the struggle against a blind, harmful opposition that wants to paralyze the government by slander and discrediting, without realizing or trying to ignore that in the end the people, who are the object of manipulatory, hateful schemes that the Ecuadoran mentality rejects, are the ones who get hurt.

FINANCE MINISTER ON IMPACT OF OIL CRISIS

PA231558 Quito Voz de los Andes in Spanish 1130 GMT 23 Apr 86

[Text] The national government had already foreseen that the Ecuadoran economy would vary as a result of the instability of oil prices, Finance Minister Francisco Swett Morales has said.

[Begin Swett recording, in progress] ...has taken the necessary provisions to minimize the impact to the greatest extent possible. It is not that there will not be an impact. If conditions had been appropriate, the Ecuadoran economy would have benefited from the measures taken throughout 1985. We could have experienced growth of approximately 6 percent in 1986; we could have lowered the inflation rate to levels under 15 percent and accumulated a net international monetary reserve of approximately \$650 million.

The price of this situation is crisis. What we must do now is take the necessary provisions to stabilize the economy and advance the process to diversify sources of production, so that circumstances like this do not recur, and the Ecuadoran economy will not be affected, dependent, as it is now, on one or two products, but its exports will be diverse. [end recording]

Finance Minister Swett Morales reaffirmed that there will be no need to take other measures to stabilize the country's economy.

EDITORIAL WARNS U.S. AMBASSADOR ON INTERFERENCE

PY151557 Asuncion HOY in Spanish 15 Apr 86 p 10

[Editorial by H.D.D.: "We Do Not Need Meddlers"]

[Text] We had a similar problem once: Someone by the name of Robert White. He used to walk the streets of a hospitable country that has the intention of becoming, if not a total, a partial democracy.

And I say partial democracy because I am convinced that Latin American is not yet prepared for total democracy. It would be like giving a shotgun to a monkey, and if the monkey has not been trained....?

All of a sudden, this man Robert White was declared persona non grata in this country, because of his not-fondly-remembered performance as a diplomat.

That man Robert White was then transferred to El Salvador. So, tell me, Mr Taylor, how is El Salvador doing now? And how, for that matter, are Honduras and Nicaragua!!!

So, what is it that you intend to accomplish by openly meddling in our internal problems, which are many?

We have many problems, but not as big as the one the United States has with Libya, for instance. And what can you, Mr Taylor, tell me about the great Central American drama, specifically in Nicaragua where your country is financing a guerrilla war against those whom the United States put in Government? And what happened in the Bay of Pigs? Why did the United States encourage hopes when it could not fulfill its part as a man should?

Yes, Sir. The North Americans are very good at fighting wars. But we do not want wars here; we do not want internal conflicts, although we have one in our hands now which is still controllable.

I can give you as a present, Mr Taylor, a book on the 1947 civil war in our country so that you can learn of the atrocities that were committed then. I can also give you a poem about a mother crying for her son who was killed by a brother. Yes, Mr Taylor, we know about many situations like this, and we do not want to live through them again. So you should take care of your own problems.

The U.S. flag was burned here once; something worse could happen next time. And the 6th Fleet will not be able to get here, because we do not have a coastline.

The Paraguayan people have matured and can look after their own destiny. They do not need any kind of tutelage. We Paraguayans know how to solve our own problems, calling upon our own character and wisdom.

I WARN YOU, Mr Taylor, as well as all those who consort with you, about the possible consequences of your interference in our country's internal affairs. We do not need meddlers.

[Signed] H.D.D. [Humberto Dominguez Dibb]

ECONOMY MINISTER DENIES PLANS FOR PRICE CONTROLS

PY212259 Lima Panamericana Television Network in Spanish 0330 GMT 20 Apr 86

[Text] Economy Minister Luis Alva Castro said that there is not now nor will there be any price controls. He said this during a press conference held after the first meeting with the national financing system. Alva also said that the process of reducing the number of dollar transactions is beginning to show good results.

[Begin recording, in progress] ...categorically, there is no price control, mainly because we did not attack the inflation problem the way it has been attacked in the past. We went to the very roots of this inflation process, which we have had to bear for a very long time, and which threatened to reach hyperinflation and climb to a 300, 400, or who knows what greater percentage. We first stabilized costs. Do not forget that in stabilizing costs, mainly the cost of money, an essential element in any economy, we were successful. You know that we reduced interest rates from 280 percent to 40 percent. This means that we reduced the production costs and mainly the cost of money, which is fundamental for the development of production and the services needed by society.

In this sense, when we stabilized costs we also stabilized prices. It occurred naturally because there was no reason to increase prices since we reduced costs and we had established the appropriate balances and necessary compensations. We must not forget that among the set of measures we adopted, we reduced the sales tax which certainly reduces the final cost and sales price. Our effort is aimed at defending the majority of the Peruvian people, the poor and humble people of our country. We wish to defend their real salaries and purchasing power. [end recording]

DEPUTY NOTES FOREIGN CONTRIBUTIONS TO TERRORISTS

PY231620 Paris AFP in Spanish 1514 GMT 23 Apr 86

[Text] Lima, 23 Apr (AFP) -- Government Deputy Fernando Leon de Vivero stated today that the objective of the attack on the residence of U.S. Ambassador David Jordan on 21 April in Lima was to justify the donations coming from abroad to subversive groups. Leon de Vivero, who will become president of the Chamber of Deputies on 28 July -- appointed by the ruling American Popular Revolutionary Alliance [APR], which has an absolute majority in congress -- stated that public collections are conducted in France, Sweden, the United States, and other countries to maintain the seditious movements in our country. Foreign news agencies exaggerate these events, and the terrorist cells thus justify the aid they receive from abroad, Leon de Vivero stated.

Asked about measures the Peruvian Government is adopting regarding this situation, he said that he understands that the Foreign Ministry is conducting the necessary negotiations to neutralize these collections and sending dollars to Peru.

Soviet Ambassador to Peru Anatoliy Filatov has told the local press he was not aware of the details of the attack on the U.S. ambassador's residence and recalled that his government issued an official statement condemning the U.S. attack on Libya.

Meanwhile, some 100 suspects were detained in a huge police operation to identify the perpetrators of the attack, claimed by the Tupac Amaru Revolutionary Movement and considered the first attack in the country against the United States for its attack on Libya.

LUSINCHI INVOKES CONTINGENCY CLAUSE TO REFINANCE

PA231727 Caracas Television Service in Spanish 1627 GMT 23 Apr 86

[Statement by President Jaime Lusinchi following a meeting with his cabinet in Caracas "a few minutes ago" -- recorded]

[Text] In view of the country's serious economic situation, particularly as a result of the prolonged and marked decrease in oil prices, I wish to notify the Venezuelan people that, making use of the sovereign rights of Venezuela and following a cabinet session, I have decided to renegotiate the terms of the country's foreign debt with the creditor banks.

The Republic of Venezuela will immediately notify the corresponding financing organizations that we have invoked the contingency clause provided for by the agreement for refinancing the debt dated 26 February 1986.

In my message to National Congress on 12 March I told the nation, and I have said it several times since, that we would shortly resort to the contingency clause as soon as we had stable conditions on the oil market, judging from the constant evaluations we were making.

We would then request a broad revision of the agreed terms and adjust them to new parameters according to our real payment capacity, the interests, our development and well-being, as well as to the terms of a well-understood international justice.

We have also said on several occasions that we were given loans based on our oil, and we will pay them back based on our oil. To meet such conditions and subject to these principles, my government has carried out a responsible evaluation of the current situation.

Undoubtedly, the conditions are proper for invoking the contingency clause, and erefore we have decided to carry on without delay.

Likewise, on several occasions we have notified the creditor banks and the industrialized countries' governments where these banks operate that Venezuela is willing to honor its legitimate commitments, but we are not willing to do this at the expense of the well-being of our people and the country's social and economic development.

The debt must be handled according to our country's growth and development. Otherwise, it will not benefit anyone, not even the creditor banks that need prosperous countries in order to recover their loans.

Today I must insist that I must assure the adequate flow of financing for development that will enable our countries to surpass the current economic crisis for the benefit of the world economy. Based on this concept, we have been taking actions and will continue to take actions in solidarity with the other Latin American countries.

We thus fulfill our commitments and today we wish to announce this to the Venezuelan people.

GOVERNMENT SEEKS TO STOP CANAL TREATY CHANGES

PA221840 Panama City MATUTINO in Spanish 22 Apr 86 p 1

[Article by Jaime Beitia]

[Text] The Panamanian Government has adopted a series of measures to convince the U.S. President to abolish Law 96-70, which contains more than 50 amendments to the Torrijos-Carter Treaties. Foreign Minister Jorge Abadia Arias said that work has been going on for several months in that regard, because the law violates the letter and spirit of the canal treaties signed in September 1977.

He said that diplomatic pressure is among the measures adopted, and that a campaign at the international level with a deep political content has been planned to achieve that objective. He also said that the Panamanian Government intends to pursue in depth other claims that have to do with liquor sales, advance retirement, and tax payments in contracts like those signed between the United States, through the Panama Canal Commission, and U.S. and Panamanian contractors.

On the other hand, Foreign Minister Abadia was confident that Panama will recover the \$60 million that the U.S. Government owes in annual surpluses, as provided for in the Torrijos-Carter Treaty.

PNP CONDEMNS U.S. ATTACK AGAINST LIBYA

PA181723 Panama City EL SIGLO in Spanish 18 Apr 86 p 4

["Jacobin Notebooks by Marat" column]

[Text] We will publish in two parts a communique issued by the Popular Nationalist Party [PNP].

The PNP fulfills its responsibility and duty to express its opinion and guide the Panamanian people regarding the U.S. military forces' attack against the Libyan people and territory which affects world peace and security:

First: We believe that this U.S. act of war is internal or international. [sentence as published]

Second: The pretext used by the U.S. Government to become a self-proclaimed repressor of terrorism is untenable, because mankind has the means and institutions to adopt the measures or sanctions against any country that attacks world peace and security. If the U.S. Government had or has proof of the alleged links between the Libyan Government and terrorist actions, the logical and sensible thing would be, in view of the powerful U.S. political, economic, and diplomatic influence, to promote and obtain in the United Nations international condemnation and effective sanctions against such ties, something that the international community would have accepted. Nevertheless, despite its efforts and claims about the alleged proof, the United States was able to get only the British Government to join in this war action. That is why the PNP joins the people and governments both in Europe and the United States as well as the rest of the world in condemning this kind of aggressive action that constitutes an attack on international security and peaceful coexistence.

COSTA RICAFOREIGN PRESIDENTS TO ATTEND ARIAS INAUGURATION

PA232143 San Jose Radio Impacto in Spanish 1830 GMT 23 Apr 86

[Text] Approximately 14 heads of state will attend Oscar Arias' swearing-in ceremony on 8 May. Argentine President Raul Alfonsin, Uruguayan President Julio Maria Sanguinetti, Peruvian President Alan Garcia, Venezuelan President Jaime Lusinchi, Colombian President Belisario Betancur, Panamanian President Eric Arturo Delvalle, Guatemalan President Vinicio Cerezo, Salvadoran President Jose Napoleon Duarte, and Honduran President Jose Azcona have confirmed their attendance.

Dominican President Salvador Jorge Blanco, Ecuadoran President Leon Febres Cordero, Belizean Prime Minister Manuel Esquivel, and Rafael Hernandez Colon, governor of Puerto Rico, will also attend the ceremony.

Costa Rican President Luis Alberto Monge will hand over the office of president to Oscar Arias. Monge and Arias are both members of the National Liberation Party, a social democratic party that is a member of Socialist International.

The commission responsible for organizing the transfer of power ceremony hopes to receive word shortly from the European delegations and the U.S. delegation regarding their attendance. A few days ago President Monge said that U.S. Vice President George Bush would probably head the U.S. delegation that also includes Philip Habib, U.S. special envoy to Central America.

NEW ADMINISTRATION TO NEGOTIATE WITH IMF

PA231543 San Jose Radio Reloj in Spanish 0100 GMT 23 Apr 86

[Text] Finance Minister Porfirio Morera has reported that the standby agreement signed with the IMF in March 1985 expired in mid-April. Therefore, he said, it was agreed with the IMF and the various international multilateral institutions that the authorities of the next administration will have to negotiate a third agreement.

The finance minister said that the high deficit of the Central Bank is one of the most difficult points in the negotiation with the IMF. He said that adequate formulas must be sought to gradually resolve this problem. He indicated with regard to the finances of the public sector that they registered a 1.5-percent deficit in relation to the gross domestic product. He stressed that the fact that the deficit is close to zero becomes what is known as adjustment fatigue [fatiga del ajuste] and one of the main financial problems. [sentence as heard]

The minister said that new negotiations must be undertaken with the IMF on monetary, exchange, credit, and interest rate aspects. Another point to be discussed in the negotiations is the additional revenue from the increase in the coffee prices and the drop in petroleum prices.

The finance minister said that the country will also have to wait to see what the IDB will do with regard to the Baker Plan. As is known, a meeting will soon be held in Argentina where the committee of the IDB governors' assembly will decide if it will demand economic conditions from countries in order to grant loans.

The finance minister said that Costa Rica signed the first standby agreement with the IMF for the period from December 1982 to November 1983 and the second from March 1985 to April 1986, which expired in mid-April.

DIS ARRESTS CUBANS, COSTA RICAN COLONEL

PA240306 San Jose Radio Reloj in Spanish 0100 GMT 24 Apr 86

[Text] The Intelligence and Security Directorate, DIS, is investigating the arrest of some Cuban citizens and a Costa Rican colonel caught carrying Cuban passports. Costa Rican Security Minister Benjamin Piza said that he is not very well informed on this matter and was not able to give the name of the Costa Rican colonel who was arrested. However, Minister Piza said that once the matter is clarified, the correct information will be disclosed.

ARDE'S CHAMORRO ARRESTED BY DIS IN GUANACASTE

PA240305 San Jose Radio Reloj in Spanish 0100 GMT 24 Apr 86

[Text] ARDE leader Adolfo Chamorro, Popo, is in the custody of the Intelligence and Security Directorate [DIS]. Chamorro was arrested this morning in Guanacaste where he arrived in a light airplane with two unidentified men [words indistinct].

Costa Rican Security Minister Benjamin Piza said that Chamorro's situation is under investigation and at this moment nothing can be said about this matter.

More than a year ago the Costa Rican Government expelled Popo Chamorro from the country after he broke the country's laws. Based on this [words indistinct] the DIS arrested him and the two people who accompanied him. In this situation, they should be deported by our authorities, however, a previous investigation into his entry and the reasons for this are necessary, the security minister said.

The DIS is investigating why Chamorro entered the country clandestinely. One of the possibilities under investigation is that he was bringing a large amount of drugs; therefore, it is believed that his trip was for drug trafficking. However, this was not confirmed by Minister Piza, who added that the situation in general is under investigation.

The Southern Opposition Bloc's [BOS] official version is that Adolfo Chamorro, Popo, the counterrevolutionary leader arrested by the Costa Rican authorities today in Guanacaste, was trying to resolve the problem that has hindered his free transit in Costa Rica. Last year Chamorro was expelled from Costa Rica following a news conference held at the Ambassador Hotel during which he asked the Costa Rican people for economic aid for the ARDE combatants.

According to BOS leader Jose Davila, Popo Chamorro came to Costa Rica within the framework of a request for free entry to this country. It was also said that Chamorro would meet with BOS leaders. Adolfo Chamorro is currently a political member of this anti-Sandinist organization.

Jose Davila said the DIS is investigating Chamorro, however, once the investigation has been completed, he will be deported to Miami since that is where he lives.

Davila also emphatically denied any involvement between BOS and international drug trafficking. The BOS leader said that to link a counterrevolutionary with drugs is slanderous because BOS, as well as ARDE, would never be involved in such a criminal action. Davila said that out of respect for Costa Rica and its laws, that protect the members of BOS, they could never approve of drug trafficking because their only goal is to struggle to achieve democracy for Nicaragua.

EL SALVADORINTERNATIONAL LAWYERS TO ADVISE BORDER COMMISSION

PA232137 San Salvador Channel 2 Television in Spanish 1900 GMT 22 Apr 86

[Text] Deputy Foreign Minister Ricardo Acevedo Peralta today reported the results of his trip to London during which two international lawyers were contracted to advise the Salvadoran border commission.

[Begin recording] In London we contacted our international advisers, Dr (?Lautrethal) from Cambridge, Dr [name indistinct] (?Bayles) from the University of Paris, and Dr (?Miguel Ederechega), who is already a Salvadoran Foreign Ministry adviser on border issues. We established the bases upon which we will work when stating our demands before the International Court of Justice [ICJ]. Our advisers have given us adequate counsel, and we have established permanent contact with them so that we can work continuously until the conflict is solved at the Hague. [end recording]

The deputy foreign minister also said that after visiting London he traveled to the Netherlands to meet with the president, vice president, and justices of the ICJ, who said they support the Salvadoran Government's peaceful intentions of arriving at an agreement with Honduras. He added that El Salvador will install an embassy at The Hague.

HONDURASAZCONA DISCUSSES NICARAGUA, U.S. AID, CONTRAS

PA232230 Panama City ACAN in Spanish 2111 GMT 23 Apr 86

[Text] Tegucigalpa, 23 Apr (ACAN-EFE) -- President Jose Azcona Hoyo today reiterated that Honduras does not want a war with Nicaragua, nor will it lend its territory for foreign forces to invade that country. The president said that the Honduran Army will never cross into Nicaraguan territory to kill Nicaraguan soldiers. The president stressed that the domestic situation in Nicaragua was not provoked by Honduras or any other Central American nation. "Quite the contrary," Azcona said, "Honduras is a victim of the domestic conflict experienced by Nicaragua since there are thousands of Nicaraguan refugees in Honduras whom we must take care of for humanitarian reasons.

Honduras would not have the problem of Nicaraguan refugees and "counterrevolutionaries" if there were peace in that country, the president added. During a news conference with foreign correspondents, Azcona asked for objectivity; "that the information not be the result of what the correspondent probably thinks the president thinks," were the president's opening words.

Dressed in gray and seated before the correspondents, President Azcona answered questions for over an hour. During the news conference President Azcona did not hold back his feelings toward a Mexican correspondent who last week "distorted" some of the president's statements when they were talking "without a microphone and like friends."

Regarding the Nicaraguan counterrevolutionaries, Azcona said that they must be in their country: "We have always said that there is no reason for them to be in Honduras." He said that if the United States approves any aid for the Nicaraguan rebels, this aid does not necessarily have to pass through Honduras. He thinks the United States could well use any airport in any of the other Central American countries or any other means to send this aid to the "counterrevolutionaries."

He reiterated that Honduras will not spend money to keep watch over its border with Nicaragua in the first place because it is very extensive -- 717 km long -- and in the second place because Honduras needs to invest in health, education, and other areas.

Azcona indicated that at present he can speak of absolute independence because even the United States requires allies to operate all over the world. He recalled that, in its recent attack against Libya, the United States required the UK's support. The president said: I can hardly imagine that the U.S. bombers did not cross over the territories of other European countries to reach Libya." [quotation marks as received] Azcona said: This is why it is strange that many countries in the world are concerned about Honduras' getting and accepting the U.S. aid, when Honduras lacks the money to carry out many works.

More on News Conference

PA240030 Panama City ACAN in Spanish 2159 GMT 23 Apr 86

[Text] Tegucigalpa, 23 Apr (ACAN-EFE) -- President Jose Azcona Hoyo today denied that a U.S. pilot was wounded at the border with Nicaragua in confrontations with Nicaraguan troops during Holy Week. The president said that "had this been true there would be no reason to keep this a secret because U.S. pilots flew the U.S.-made helicopters that transferred Honduran troops to that combat zone." "Wounded people are reported in all combat zones, and bullets do not choose nationalities. Therefore, militarily speaking, it would not have been uncommon or surprising for a U.S. pilot to be wounded in the combat zone he was in," the president added.

Azcona today held a lengthy news conference with foreign correspondents. The news conference was held at the Presidential Palace, and it was President Azcona's first news conference with foreign correspondents. Azcona said his government had asked the United States for logistic support in face of an incursion by Nicaraguan soldiers, in March. This was done "based on the security agreements Honduras has signed with the United States." Azcona added that "we will request this aid whenever we need it by invoking the treaties because this was the reason for signing those commitments. We do not have enough aircraft to rapidly deploy our troops."

During the war crisis that Honduras experienced in March, the United States lent its helicopters and pilots to deploy Honduran troops to the combat zones. U.S. President Ronald Reagan also approved up to \$20 million in additional military emergency aid to the Honduran Army. Azcona said that "we asked only for help in deploying troops to the area, however, the U.S. considered the \$20 million in equipment and war material necessary, so they gave it to us, and why should we refuse it?" "I insist that every time that our troops need to be deployed on an emergency basis we will ask the United States for logistical aid, because we are not going to send soldiers to fight after putting them through a 6-day trip by land," the president said.

Comments on Contadora Plan

PA240146 Panama City ACAN in Spanish 2318 GMT 23 Apr 86

[Text] Tegucigalpa, 23 Apr (ACAN-EFE) -- President Jose Azcona Hoyo said here today that his country is not going to unilaterally abide by the Contadora peace plan for Central America. "Honduras is willing to comply with the spirit and letter of the Contadora peace plan in every aspect if the other cosignatories do the same," President Azcona told newsmen.

Azcona said that "the Hondurans will sign the peace plan, we will comply with it, and we will open our doors to international verification and we hope Nicaragua does the same, because if it does not, we are not going to comply with any of the things we agreed on."

President Azcona said his country has always sought a global negotiated solution to the Central America crises and has been willing to reach an agreement and has not placed any obstacles to the solutions, but it cannot make a unilateral sacrifice. He also said that "if Nicaragua signs the peace plan and complies with the agreement along with the other cosignatories, the foreign troops and advisers will leave the country," However, he said that the peace plan is opposed to the presence of regular "foreign troops but not to armed groups which are not officially recognized by any country as a regular Army."

President Azcona said that Nicaraguan counterrevolutionary troops come and go in Honduran territory "because our border is too large and wild to control 100 percent." "We are not going to use resources which we need for our development, to have troops guarding the backs of the Sandinists, nevertheless, I have always said that the Nicaraguans should fight in Nicaragua," Azcona said.

Azcona admitted that the members of the Contadora Group -- Mexico, Panama, Colombia, and Venezuela -- "have made a great effort on behalf of peace in Central America, and we are going to sign the peace plan with the other countries, even if the agreements we have approved will be effective only if the others do their part and if Nicaragua signs it."

FURTHER ON AZCONA INTERVIEW IN EXCELSIOR

PA231401 Madrid EFE in Spanish 1200 GMT 23 Apr 86

[Text] Mexico City, 22 Apr (EFE) -- In an interview published today by the Mexican daily EXCELSIOR, Honduran President Jose Azcona criticized the Nicaraguan and Cuban Governments and reiterated his support for the Contadora Group's efforts in Central America. "I am glad that the Nicaraguan regime has not consolidated, because it is based on a dogmatic system and because it is an extraneous body -- the same as Cuba -- in Latin America," Azcona said.

In an interview granted in Tegucigalpa to Regino Diaz Redondo, director of EXCELSIOR, which is one of the oldest Mexican newspapers, Azcona said: "Nicaragua is an extraneous element in Central America, just like Cuba. The latter has survived because it is an island." "We are trying to soften the Nicaraguans in the sense that they should offer a positive solution, within the framework of democracy, to that country's internal problem. We want them to realize that they are not going to get anywhere if they continue on the same path," the Honduran president added. Azcona asked: "Why can't (Daniel) Ortega say yes, we are going to democratize Nicaragua? Does he have a right to be Nicaragua's president for life, like Fidel Castro?"

Azcona said that his country is not going to separate itself from the Contadora Group, "or to seek bilateral solutions, as there are none." He added: The Contadora Group's role is "very important, because it helps to maintain hopes, and because it is making great efforts to prevent war and confrontation."

The Honduran president feels that the USSR would not intervene in the event of a U.S. invasion in Nicaragua, "just as they did not move in the Gulf of Sidra." "The USSR is not going to fight for Nicaragua," Azcona predicted.

Azcona said that he does not believe that the United States will invade Nicaragua, "nor do I believe that the Managua government will be consolidated in the end, and, to be frank, I am glad this has not occurred. However, I would not be glad to see them ousted by force."

GOVERNMENT REITERATES OPPOSITION TO TERRORISM

PA230449 Tegucigalpa EL HERALDO in Spanish 22 Apr 86 p 2

[Statement issued by the Information and Press Directorate of the Foreign Secretariat in Tegucigalpa on 21 April]

[Text] In the wake of recent international developments, the Honduran Government has deemed it timely to reiterate its permanent rejection of acts of terrorism as these constitute the cruelest expression of violence.

Terrorist acts not only indiscriminately spread death and destruction but also, by provoking a justified reaction against its authors, imperil world peace and security. The government of the Republic expresses its trust that the heads of international terrorism will regain their prudence and understand that with their merciless actions to achieve their goals, far from intimidating other nations, the only thing they will achieve is to unleash greater violence with unpredictable results.

Information and Press Directorate, Foreign Relations Secretariat

NICARAGUA

PROTEST TO SHULTZ OVER REAGAN REMARKS ON TERRORISM

PA240359 Managua Domestic Service in Spanish 0300 GMT 24 Apr 86

[Protest note to George Shultz, U.S. secretary of state, signed by Victor Hugo Tinoco, acting foreign minister, dated 23 April]

[Text] Dear Mr Secretary of State: This refers to statements by President Ronald Reagan during his speech before the organization known as the Heritage Foundation on 22 April. The Nicaraguan Government hereby voices its strongest protest for the threats that the President of your country expressed in this speech. In this speech, he makes use of state terrorism and tries to create conditions for wider and more serious actions against Nicaragua.

Dear Mr Secretary: The intentions expressed by President Reagan reflect his willingness to obsessively persist in his policy of training, supporting, and leading terrorist and mercenary forces in Central America to attack Nicaragua. Such statements belie entirely your alleged interest to promote and support the great peace efforts of the Contadora and the Support Groups. Because of this, the visits of your personal envoys to the region constitute a smokescreen to continue your policy of aggression. Through me, the Nicaraguan Government urges the U.S. Government to act with common sense and abide by the principles and norms of international law that must govern our relations. Simultaneously, this government reiterates its willingness for a dialogue as the best way to settle our disagreements, and this government's support for the peace process sponsored by the Contadora and Support Groups.

Yours very truly,

[Signed] Victor Hugo Tinoco, acting foreign minister.

FSLN SPOKESMAN ON REAGAN'S 'MACHIAVELLIAN' CAMPAIGN

PA231616 Panama City ACAN in Spanish 1352 GMT 23 Apr 86

[Excerpts] Managua, 23 Apr (ACAN-EFE) -- The Reagan administration is trying to "associate" the "terrorist attack" on Libya in order to launch similar actions against Nicaragua, the top spokesman for the FSLN, Carlos Fernando Chamorro, has charged. The designer of the Sandinists' "Agitation and Propaganda" Department policy, Carlos Fernando Chamorro said that in order to do this, the United States "has set up a Machiavellian propaganda campaign that depicts Libya as a terrorist state."

Chamorro emphasized: "When (Reagan) says that Nicaragua is a new Libya, he is trying to communicate with the members of U.S. public who are fanatics against that country (Libya)."

Fernando Chamorro, who is also the editor of the government newspaper BARRICADA, said that United States plans to carry out actions similar to the ones carried out against Libya.

COSEP PRESIDENT JUSTIFIES CONTRAS IN HONDURAS

PA230430 Managua International Service in Spanish 0000 GMT 23 Apr 86

[Text] Enrique Bolanos, the pro-U.S. opposition leader and Higher Council of Private Enterprise, COSEP, president, with absolute disregard for the country where he was born, has said in Costa Rica that the presence of the counterrevolutionaries in Honduras is fully justified. Bolanos agrees with Carlos Orbin Montoya, Honduran National Congress president, who said that the Honduran Government will never take action to oust the former Somozist guardsmen from Honduran territory, because that would be criminal. With this, Bolanos confirms COSEP collaboration with the Somozist mercenaries, who have caused so much pain and death among the defenseless peasant population of Nicaragua.

DEPUTY MINISTER PRAISES NONALIGNED DOCUMENT

PA240053 Managua International Service in Spanish 0000 GMT 24 Apr 86

[Text] Deputy Foreign Minister Javier Chamorro Mora has described the nonaligned countries document condemning U.S. military intervention in Central America as clear and conclusive. In an interview granted to PRENSA LATINA in Cologne, Germany, Chamorro Mora said that the nonaligned conference gave special priority to the Central American problem. The nonaligned ministers strongly repudiated the request to and debates in the U.S. Congress for war funds for the Somozist counterrevolutionaries.

PRC CHARGE D'AFFAIRES DELIVERS GOODS DONATION

PA191526 Managua EL NUEVO DIARIO in Spanish 18 Apr 86 p 10

[Text] The CPC and PRC Government have donated \$1 million in goods to the revolutionary government. This donation, one of the most important to arrive in the country from remote China, includes clothes, canned goods, powdered milk, chocolate, and so forth, totaling up to 680 tons.

Xu Yicong [spelling as published], charge d'affaires of the PRC Embassy, delivered this significant donation to Jose Angel Buitrago, deputy minister of foreign cooperation. Buitrago expressed the appreciation felt by the Nicaraguan people and government when he received this valuable donation which is proof of the solidarity of the PRC.

For his part, Xu Yicong said that he was very pleased to attend the ceremony, which must mark a new step in the friendship of the Chinese and Nicaraguan peoples. This is being done, he said, a few weeks before the establishment of the PRC Embassy in Nicaragua. He noted that the recent establishment of diplomatic relations between the PRC and Nicaragua is a very important event in the political lives of the two nations and has a very special meaning. For this reason, he said, we take this first official ceremony after our arrival in Managua to congratulate the Nicaraguan people and to extend the warmest greetings of the Chinese people to them through the friends who are present here. Asked about the \$100 million that the Reagan administration wants to give to the contras, Xu Yicong said that it is a demonstration of intervention in Central American internal affairs, especially in those of Nicaragua. He said that the PRC people condemn any interference in the domestic affairs of Nicaraguans. The United States must allow the people to resolve their own development problems. He noted that one one occasion in the sixties, Carlos Fonseca Amador, commander in chief of the Sandinist people's revolution, visited the PRC and that his intention on that occasion was clearly to establish relations with CPC members.

BORGE COMMENTS ON AUTONOMY, POLITICAL RIGHTS

PA230350 Managua Radio Sandino in Spanish 1930 GMT 22 Apr 86

[Text] Commander Tomas Borge Martinez, interior minister and president of the National Commission on Autonomy, said during a recent interview that if there is one law that will truly reflect revolutionary democracy it will be the law on autonomy.

After acknowledging that the revolution made mistakes because it did not understand the situation on the Atlantic Coast, Commander Borge said that today autonomy represents a natural response to the major demands of the coastal people. At the same time, he praised the high degree of communication that has been established between the FSLN leadership, the Interior Ministry, and the EPS with many of the rebel leaders, which has resulted in a cease-fire in most of the region, with the exception of a few jungle areas. He noted, however, that during his recent visit to Puerto Cabezas he issued instructions to begin implementing pilot plans which will be representative of the autonomy plan, particularly in places which are better organized and are most likely to be attacked by the mercenary bands.

Commander Borge confirmed that as a result of the negotiations with the top leaders of the rebel Miskito Indians, materials and supplies are currently being delivered not only to them but to the communities in which they live, which has led to an easing of tension and an intensification of the pacification process of the Atlantic Coast. Commenting on the negotiations with the organization KISAN [Unity of Atlantic Coast Peoples] For Peace [para la paz], Commander Borge said that the talks are based on the principle that the law on autonomy entails a broad recognition of the rights of the inhabitants of the Atlantic Coast, which fundamentally means respect for their traditions, language, religion, and culture as well as the recognition that the wealth of the Atlantic Coast can and must be distributed among its inhabitants, that is, the area must stop being a colony of the Pacific region and become a region integrated into the nation.

On other subjects raised by Commander Borge during the interview were principles of the revolution, such as mixed economy, nonalignment, and political pluralism amid indications that the parties which are on the National Assembly and those of the Ramiro Sacasa Coordinating Board are forming a single opposition group against the FSLN.

We will now listen to some personal views expressed during the interview by the president of the National Commission on Autonomy regarding the significance of the return of Miskitos to the Coco River area and their probable use by the counterrevolutionaries.

[Begin recording] [Borge] The Miskitos who lived in the Coco River area began to be used and attacked by the counterrevolutionaries and we found ourselves forced to relocate them in a place that is very well known -- Tasba Pri. However -- and this forms part of the what we did not know -- the Miskitos in Tasba Pri missed the Coco River [1-second break in transmission] and their desire to go back to the area was so extraordinary that one day I went to Puerto Cabezas and told them that there was a possibility they could return but that the return had to be very orderly, and so forth. A sort of reverse exodus [antiexodo] to the Coco River began. Those who headed the march returned to the main population centers and resettled there by the Coco River, drinking its waters -- which were probably polluted -- and bathing in them. It was as if they had taken mirrors out of the river to look at themselves, as if they had torn the roots of the trees by the river to take them as symbols.

Because of this extraordinary attachment to the river -- which (?I doubt) if we will ever fully understand -- they returned to the river. Of course, this was a response to an aspiration which ran much deeper than we thought, because they had better living conditions in Tasba Pri. There they had health programs, greater access to education, agricultural development programs, and so forth. However, it was not enough, and they went back to the river, abandoning the programs we had already developed at a very high cost. They were much happier on the banks of the (Wanki), as they call it.

Consequently, we knew that the counterrevolutionaries, imperialism, and the CIA would try to take advantage of the return of the Miskitos to the Coco River. And indeed, by force, fundamentally through violence, or through fear they took away 9,000 of the 16,000 Miskitos who, if I am not mistaken, had returned to the river, telling them that invasion was imminent and that all of them would die if they were at the river's banks. Despite this, some -- or many -- refused to leave and then they were taken away by force.

The Indians have begun returning to the Coco River, and many of them are living in subhuman conditions on the other bank, in Honduran territory. In fact, I have learned that (?many) children have died of malnutrition. They lack medical assistance and food at the sort of concentration camps that have been set up on the other bank of the river to keep the Miskito population there and, of course, to cause political problems for the revolution and besmirch its image internationally, sacrificing these brothers of ours with the infamous maneuvers devised by the CIA together with KISAN organizations for war. There are KISAN organizations for peace but there are also KISAN organizations for war.

This is being done with the participation of former Somozist guardsmen; the complicity -- which still exists -- of Honduran military men; and, in this case, with more direct involvement of U.S. Green Berets, who have provided means of transportation and advice to carry out these actions against the revolution.

[Unidentified reporter] Commander Borge, during the last few days there has been talk about the formation of an internal front with the participation of some of the political parties that are represented at the National Assembly and the Ramiro Sacasa Coordinating Board. What will the Interior Ministry do if this plan is indeed carried out?

[Borge] To begin with, I wish to point out that the revolution's fundamental principles are sovereignty of the fatherland and democracy as well as the defense of that sovereignty and democracy. The revolutionary state guarantees the mixed economy and political pluralism, which form part of the context of this revolutionary project.

However, mixed economy is not the same in Nicaragua as in Costa Rica. Political pluralism in Nicaragua is not the same as in Venezuela, because political pluralism and a mixed economy exist in Nicaragua within the context of the revolution. And just as a rifle may fire the same way in the hands of revolutionary as in the hands of a counterrevolutionary, the mixed economy or political pluralism have different objectives, or pursue objectives in a revolutionary country which are different from those pursued in a country that is not revolutionary.

This is a class problem. In the capitalist countries, the mixed economy and political pluralism are at the service of the bourgeoisie. In Nicaragua they are at the service of the workers. And if in Nicaragua, or better put, if in other countries the bourgeoisie grants concessions to the workers, in Nicaragua the workers grant concessions to the bourgeoisie.

Therefore, we will defend the mixed economy and political pluralism within this context because Nicaragua does not have a socialist system. However, it cannot be said, either, that it has a capitalist system.

This revolution has peculiar characteristics that are a consequence of the geopolitical reality in this country. Some do not like the mixed economy. They cannot understand the situation, or do not like political pluralism. I tell them that Norwegians do not like the cold weather in which they are forced to live. Well, Norwegians have to enjoy their dreadful winters and we have to enjoy -- to put it in some way -- our mixed economy and political pluralism.

Actually, several political parties exist here and I hope they will continue existing. If they form a single front to oppose the revolution they have every right to do so, always provided they are within the law. If they form a front to join the counterrevolutionaries then they would then step outside Nicaragua's laws. They can unite to confront the revolution politically. In fact, I think they made the mistake of not doing so for the last elections.

To detract from the legitimacy of the elections, the Ramiro Sacasa Coordinating Board made the very serious mistake of not participating in the elections. They would not have won anyway, but this would have allowed them to have more political space internally. However, on a recommendation from our main enemies -- the North Americans -- the Sacasa Coordinating Board decided not to participate in the election, which was obviously clean and (?free).

Therefore, if they become organized I, as interior minister, will guarantee their freedom to form a political organization. [end recording]

GOVERNMENT SEEKS REPATRIATION OF MISKITOS

PA230423 Managua Radio Noticias in Spanish 1200 GMT 22 Apr 86

[Text] Alejandro Bendana, secretary general of the Foreign Ministry, has held a press conference regarding the Miskito Indians. He said that Nicaragua had asked the United Nations Office of the High Commissioner for Refugees, UNHCR, to petition the Honduran Government to repatriate the Miskitos whom the counterrevolutionary forces have recently kidnapped. There are [word indistinct] more Miskitos kidnapped by the counterrevolutionary forces of KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous People] who are (?siding) with the FDN. This happened in March. According to Alejandro Bendana, the Miskitos want to return to Nicaragua as soon as possible. Also, the UNHCR approved a Nicaraguan request for \$.5 million in financial aid to strengthen the Miskito economy. (?The aid) will be used for production programs and the development of agricultural cooperatives.

According to Bendana's report to newsmen, KISAN's contra forces kidnapped 12,000 [word indistinct] and 15,000 Miskitos who usually live along the banks of the Coco River. The objective is to denounce their mistreatment by Nicaragua and say that they want to leave because they cannot withstand pressure by the Sandinist government. The Reagan administration [words indistinct] this in order to press for approval for the \$100 million. Bendana said that a show was staged to demonstrate that the Nicaraguan Miskitos could not bear the government pressure and fled the country. However, there was a lack of coordination. The newsmen who went to the place where the U.S. Vice President George Bush was to welcome the Miskitos saw that no one had come. This show failed. Alejandro Bendana said that it showed that this was just one more trick by the Reagan administration to obtain the \$100 million in aid that is still under debate.

SANDINIST 'ABUSES' IN DRAFT IMPLEMENTATION CLAIMED

PA181757 San Jose Radio Impacto in Spanish 1230 GMT 18 Apr 86

[Text] The revolutionary Social Christian Youth has reported on repression and abuses committed by the Sandinists in the implementation of the military draft. Nicaraguan youths are again giving their quota of sacrifice. They are forced to brandish weapons, but they kill in combat to survive, not to defend the current regime, the opposition group noted. Fanor Avendano, secretary general of the Revolutionary Social Christian Youth, explained that some of its members have been recruited despite the fact they were ill. According to Avendano, on 12 April 12 students of Managua's Baptist School were taken out of their classrooms and sent to comply with the military service. He said that recently the Sandinists are forcing children younger than 12 years old to stage demonstrations in favor of the government and against the United States.

BRIEFS

ASSISTANCE FROM CZECHOSLOVAKIA -- According to Gustav Stopka, Czechoslovak ambassador to Nicaragua, his country has granted \$250 million in assistance through credits and donations to Nicaragua. He added that his government is currently trying to grant \$25 million in aid to Nicaragua as a gesture of goodwill and support for the Nicaraguan people. He noted that the credit lines granted to our country are not expected to be repaid in the immediate future but after 1990. [Summary] [Managua Radio Sandino in Spanish 1750 GMT 16 Apr PA]

TALKS BEGIN WITH PARIS CLUB ON REFINANCING DEBT

PA232001 Buenos Aires REUTER in Spanish 1937 GMT 23 Apr 86

[Excerpts] Havana, 23 Apr (REUTER) -- Cuba today began a new round of talks with Western creditors on refinancing its foreign debt of \$3.5 billion at a time when Cuba's exports are dropping.

Diplomatic sources reported that a Paris Club mission began talks today with Cuban officials in Havana on refinancing this year's past due payments on the government-to-government loans.

Cuba last year rescheduled \$156 million in debt with the Paris Club after refinancing \$256 million in 1984, but the Cuban Government has not given any indications of the amount it wishes to refinance in 1986.

The sources added that this year's talks will be especially complicated, as it is believed that Cuba's hard currency revenue will drop by several million dollars in 1986 as a result of low oil prices throughout the world and the poor 1985-86 sugar harvest.

In addition to voicing concern over the expected drop in foreign currency in Cuba, it is believed that the Paris Club mission will focus its discussions on the sharp increase in the Cuban short-term commercial debt, diplomatic sources added.

The Paris Club mission is led by a French treasury official, Jean De Rozene, and includes representatives from France, Great Britain, Italy, Spain, Canada, and Japan.

The team will stay in Havana until Saturday, and the formal negotiations on refinancing the debt will be held later this year in Paris, the sources added.

RELATIONS WITH BRAZIL TO RESUME BEFORE NOVEMBER

FL231832 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Apr 86

[By correspondent (Marta Valverde) from Rio de Janeiro]

[Excerpt] The resumption of diplomatic relations between Brazil and Cuba has again been commented on by President Jose Sarney's government. This time it was Foreign Minister Abreu Sodre who announced that diplomatic relations with Cuba will be restored before the 15 November National Assembly elections. He added that talks to define concrete agreements will begin next month.

CEMA TO COOPERATE IN OIL, GAS EXPLORATION

FL232048 Havana Radio Reloj Network in Spanish 1816 GMT 23 Apr 86

[By Carmen Camillas]

[Text] CEMA member countries will cooperate with Cuba in the extraction and exportation of oil and gas as well as the introduction of advanced technology for exploitation of oil fields.

During the CEMA permanent commission meeting, GDR advances were presented in the application of biotechnology for extraction of oil and gas. That advanced method is based on the use of bacteria which, during its reproduction process, generates sufficient quantities of carbon dioxide which is a substance capable of reducing the viscosity of liquids, especially petroleum.

During the meeting, CEMA members have been very aware of the importance of oil exploration in Cuba.

'OCEAN VENTURE' EXERCISES DAMAGE ENVIRONMENT

PA231324 Havana International Service in Spanish 0000 GMT 22 Apr 86

[Report by correspondent Maria del Carmen in Puerto Rico -- live or recorded]

[Text] As part of the increase in the U.S. military actions in recent days, the United States will carry out the maneuvers known as "Ocean '86" in the Caribbean Sea from 28 April to 11 May. These maneuvers are used to test the troops and equipment which are then used to carry out aggressions against other peoples.

The U.S. Defense Department announced this week that the exercise is designed to show the U.S. capability to use military power when it is necessary. This exercise, which is described as the biggest naval maneuvers in the Western Hemisphere, will include the participation of approximately 20,000 soldiers from six Caribbean nations.

The United States has carried out close to 20 large-scale military maneuvers in the last 5 years. In the past, up to 50 warships, submarines, bombers, and aircraft carriers such as the USS America, which attacked Libya this week, have been mobilized for this type of exercise. Military equipment of advanced technology is also tested in such exercises.

Another important aspect is the damage that such exercises cause to the environment. Residents of Vieques and Puerto Rico's eastern coast complain about the 24-hour long noise that these exercises cause. The residents of that coast say that they live in a permanent hell during the maneuvers. For years, it has been affirmed that the damage caused to the ecology is irreparable. Since 1983, bombs up to 500 pounds in weight have been dropped on Vieques. This not only destroys the environment but also causes heavy damage to homes and buildings on the small island. Residents of the area also point out that to the physical damage one must add the great social havoc that these maneuvers cause: drunk sailors, humiliations, prostitution, and street brawls. They are also part of "Ocean Venture."

BRIEFS

MATERIAL, SUPPLY COMMITTEE HEAD -- Deputy Sonia Rodriguez Cardona has been appointed Minister President of the State Committee for Material and Technical Supply. Sonia Rodriguez Cordona, member of the Central Committee of the Communist Party of Cuba, has worked for several years in the coordination and support team of President Fidel Castro. The former minister president of the State Committee for Material and Technical Supply, Irma Sanchez, will now carry out other tasks, it was reported here in Havana. [Text] [Havana International Service in Spanish 2300 GMT 21 Apr 86 FL]

TRADE AGREEMENT WITH VENEZUELA ANNOUNCED

FL211621 Bridgetown CANA in English 2130 GMT 20 Apr 86

[Text] Georgetown, Guyana, April 20, CANA -- Guyana and Venezuela today announced a new counter-trade agreement involving bauxite and oil. A statement issued simultaneously in Georgetown and Caracas said increased exports from Guyana, mainly bauxite, were to be matched by higher imports from Venezuela, primarily petroleum products. Government officials said the deal was not surprising and that Guyana had for some time been seeking petroleum supplies from Caracas to ease problems with Trinidad and Tobago. Trinidad and Tobago has been insisting Guyana pay for its oil up front and in U.S. dollars, but Georgetown says it has a foreign exchange shortage... Against this background, the Georgetown government has been rationing petrol.

Following is the text of the statement: The Government of Guyana and the Government of Venezuela, convinced of the large potential opportunities for exchange and co-operation between both countries, have resolved to strengthen their economic and commercial relations. In this respect, both governments have agreed to undertake an economic co-operation programme, which includes trade in petroleum products and bauxite and a financing scheme for facilitating the exchange of goods and services between the two countries. The petroleum arrangements provide for the supply of petroleum products from Venezuela to help in satisfying Guyana's consumption needs. To this end the Venezuelan oil company Maraven S.A. has agreed to supply such products to the Guyana National Energy Authority (GNEA).

In relation to the arrangements in the area of bauxite, the Bauxite Industry Development Company Limited (BIDCO) of Guyana has also reached an agreement with Interalumina of Venezuela under which Guyana will supply directly to Venezuela, substantial quantities of metallurgical grade bauxite during 1986 and 1987. With respect to the financial aspects, the Venezuelan Investment Fund (VIF) and the Bank of Guyana also negotiated a deposit agreement designed to facilitate these transactions.

The general principle [of] this agreement is one of matching increased exports from Guyana to Venezuela, primarily bauxite, with increased imports from Venezuela into Guyana, primarily petroleum products while simultaneously giving consideration to the financial implications. The terms of the agreement provide for the deposits on maturity to form part of a roll over credit type facility. The maturing amounts are intended to be used again for the acquisition from Venezuela of goods and services of interest to Guyana in accordance with the financial conditions laid down by Finexpo for financing Venezuelan exports.

This programme has been conceived and concluded in the context of deepening economic co-operation between the two countries, in accord with the several meetings held recently between representatives of the two governments. In particular, it reflects agreements reached during the February 1985 visit to Guyana of the foreign minister of Venezuela and attests to the determination of the Governments of Guyana and Venezuela to attain higher levels of co-operation and understanding. The Governments of Guyana and Venezuela have expressed their full satisfaction with the atmosphere of understanding, cordiality and mutual respect in which these discussions were conducted. (end of statement)